

ED COMMITTEE #1
July 27, 2015

MEMORANDUM

July 23, 2015

TO: Education (ED) Committee

FROM: ^{GO} Glenn Orlin, Deputy Council Administrator

SUBJECT: Amendments to the FY15-20 Capital Improvements Program, Montgomery County Public Schools, Walter Johnson Cluster HS Solution and Northwood Cluster MS Solution

The Public Schools Facilities Test of Subdivision Staging Policy (SSP) places a moratorium on housing subdivision approvals if a cluster is forecasted to exceed 120% of program capacity at any level (elementary, middle, or high) five years hence.

Montgomery County Public Schools (MCPS) staff now forecasts that Walter Johnson Cluster's high school enrollment for the 2020-2021 school year will reach 119.8% of program capacity. Because the SSP treats the 120% figure as a cap, this means that relatively little additional residential development can obtain subdivision approval in the cluster area, which includes White Flint and vicinity. The queue of residential applications for subdivision approval currently before the Planning Board would result in forecasted enrollment well in excess of 120% of program capacity.

As is usually the case, MCPS has anticipated this growth in high school enrollment in the Walter Johnson Cluster. The staff has been funded to work on alternatives that would provide this capacity. MCPS staff has assured Council staff that a specific capacity-adding project will be developed by this fall, that it will be included in the Superintendent's request for the FY17-22 CIP, and that it will be recommended for completion by the start of the 2020-2021 school year. As has been the case for at least the last 25 years, the Board of Education will certainly recommend the Superintendent's request, perhaps on an even more accelerated schedule. The Council is likely to approve the capacity-adding project, as it has regularly done over the same time period.

Therefore, a Walter Johnson Cluster HS Solution project is being proposed so that an essentially artificial residential development moratorium would not go into effect in FY16. If a development is to be approved in FY16, then it will be conditioned with a School Facilities Payment.

Similarly, MCPS now forecasts that Northwood Cluster's middle school enrollment for the 2020-2021 school year will reach 119.6% of program capacity. At this time there are no residential

developments in the queue in the cluster; however, one or more such development applications may materialize, especially in the Wheaton CBD that is served by Northwood's middle schools. Also similarly, MCPS is developing alternatives that would provide more middle school capacity in the cluster, and the selected alternative will be developed by this fall and included in the Superintendent's CIP request in November. Therefore, a Northwood Cluster MS Solution project is proposed.

The two proposed amendments are attached (©1-4). The cumulative cost of the two projects is \$5,445,000, \$3,823,000 of which is within the FY15-20 CIP period. This amount of G.O. bond funding can be readily absorbed within the current capital reserve. Because there would be no expenditures in FY16, no appropriations are needed. Council action on these amendments is scheduled for July 28.

Questions and responses about "Solution" projects. On July 1 Councilmember Berliner convened a meeting of representatives from the Montgomery County Council of Parent-Teacher Associations (MCCPTA) regarding "Solution" projects. MCCPTA had prepared a list of questions, to which MCPS and Council staff responded in writing and were elaborated upon in the meeting. Below are the questions and responses:

(1) When a project is added to a CIP as a placeholder (let's call that a "placeholder project") to avoid a moratorium, (A) is there always an equal amount of money added for the placeholder project, or (B) does the money sometimes come from the total available for all CIP projects? Placeholder projects typically assume construction of a classroom addition with enough new classrooms to keep the cluster out of moratorium (i.e. below 120% utilization). The amount included in the placeholder project is based on MCPS's cost estimate for a typical classroom addition project of that size. For instance, the Gaithersburg Cluster ES Solution project approved this past May assumes a 10-classroom addition at a total cost of \$3.9 million. A smaller addition for another placeholder project would have a different total cost. The placeholder project amounts are not based on funds available in the CIP.

(2) (A) Does MCPS reprioritize additions when a placeholder project is added? (B) Does MCPS reprioritize revitalizations/expansions when a placeholder project is added? MCPS does not reprioritize additions or rev/expansions when a placeholder project is added.

(C) Are there times when the Council adds a placeholder project, intending for it to be built within 6 years, but MCPS reprioritizes it and builds it later? No.

(D) Are there times when the Council adds a placeholder project, intending for it to be built within 6 years, but the CIP budget doesn't provide enough money in the out-years? This has not happened. If a cluster will go into moratorium, then the school utilization is projected to be 120% or higher and it is a project that has a high priority for completion in the next six years. Historically, the Council has chosen to defer other projects (if necessary) to ensure sufficient capacity is programmed in the CIP to avoid situations where schools are extremely above capacity.

(3) When a placeholder project is added for a small project, and then over time the need for a larger project becomes apparent, how does that change the design? For example, does the larger project contain less core capacity, because at first the project looked small? The placeholder project is quite small, only enough to bring the projected utilization somewhat below 120%. It is replaced by a "real" project request from MCPS once preliminary facility planning work has been completed and the scope of the project fully defined. The actual project usually adds many more classrooms than assumed in the placeholder and often includes core space or other facility improvements as well as new classrooms. Placeholder projects are always a number of classrooms, while the actual project may be a classroom

addition—again, usually of more rooms than the placeholder project—or a new school. The Subdivision Staging Policy’s Public School Adequacy Test is reviewed each year, so MCPS, the Council, and the Planning Board reassess capacity needs each year as well. An addition project might increase or shrink in size if enrollment projections change substantially.

(4) What happens to a placeholder project if a cluster's utilization level falls back below 120% in a future CIP? If this happened - was the placeholder project removed from CIP? This hasn't happened since the Council began adopting placeholder projects in 2009. Usually placeholder projects exist for only one year—sometimes two years—before they are replaced with real projects.

(5) Has the County considered allowing developers to build a school to specifications as part of a development (regular or mixed use development), to overcome a moratorium - not just contribute, but actually build it? This idea has come up, but individual residential developments do not generate sufficient enrollment by themselves to warrant construction of an entire new school. MCPS may or may not want a new school on or near the property being developed or may choose to address overutilization in the area through boundary changes and/or addition projects at existing schools. Instead of this approach, the County collects revenue used for the MCPS CIP through the development impact tax, and, in clusters above 105 percent utilization, through school facility payments.

(6) Has the County considered opening specialized schools (arts-focused, engineering-focused, Spanish language-primary, etc.) and allowing for open-enrollment, so that boundaries don't have to change with existing schools and these can alleviate some overcrowding at other schools? MCPS has magnet programs, language immersion programs, and centers for the highly gifted at numerous schools which are open to students throughout the County to apply. MCPS also has two high school consortiums (the Downcounty Consortium and the Northeast Consortium) which each have multiple high schools with “signature” programs. Students living in these consortia can choose to remain at their “base area” high school or they can apply to another high school in that consortium. MCPS also has a middle school consortium consisting of three middle schools with signature programs that students can apply to. There are no plans at this time to offer additional schools with specialized programs and not requiring boundaries. NOTE: The Subdivision Staging Policy Test is administered at the school cluster level, so each consortium is broken into its high school service areas for purposes of the test.

(7) Does a placeholder project work in a cluster where an earlier and recent feasibility study ruled out a new school because of lack of land? Where would this placeholder school then go? The location of an addition or new school is not determined at the time the placeholder project is created. The MCPS facility planning process determines where future capacity will be built. It is important to clarify that for the Council to include a placeholder project in the CIP, MCPS has to have the capability to build the project and build it in a timeframe that addresses the staging policy test requirements. This generally means that MCPS has already scheduled work in facility planning to look at the issue (either in the current fiscal year or the upcoming fiscal year) and can “deliver” the project (such as a school addition or a new school) in the timeframe of the Subdivision Staging Policy.

(8) Why didn't the moratorium work in the case of the Richard Montgomery Cluster? In May 2010 the Council approved a Richard Montgomery Cluster ES Solution project in the FY11-16 CIP that funded 8 additional ES classrooms by the start of the 2016-17 school year, at a cost \$6,651,000. However, in May 2011, as a result of reconciling the Amended FY11-16 CIP—deleting or delaying planned spending

to bring the CIP within the Council's spending affordability guidelines—the Council deleted the project. It did so because it recognized that nearly all of the RM Cluster was within the City Rockville, which had its own Public School Adequacy Test. The small portion of the cluster outside the City's boundary was an already developed area where no residential subdivisions were pending or likely in the foreseeable future. (A proposed Richard Montgomery Cluster MS Solution project was deleted for the same reason.) No development in the non-municipal portion of the cluster had been approved in FY2011, the period of time during which the Richard Montgomery Cluster ES Solution was in effect.

(9) If the school test triggered moratorium not just at 120% (level-wide) but also at 140% (school-by-school), how many school attendance areas would that add, in moratorium? What would be the pluses and minuses of that policy? For example, would there be pressure on MCPS to redistrict school attendance areas? The Subdivision Staging Policy will be reviewed in fall 2016. This proposal could be considered at that time. There has been little time to assess the proposal for the school-by-school test proposed, but there are very few schools that would exceed the 140 percent threshold. A school test devised in this manner is unlikely to have any impact on MCPS decisions to conduct boundary changes. These decisions would continue to be based on where capacity is available to resolve a space problem.

(10) If the school test triggered moratorium at 110% (level-wide), how many more clusters would be in moratorium? What would be the pluses and minuses of that policy? For example, would MCPS spend most time and money on placeholder projects and almost none on rev/expansion projects (except in clusters at moratorium)? The Subdivision Staging Policy will be reviewed in fall 2016. This proposal could be considered at that time. There has been little time to assess this proposal now, and consider the pluses and minuses.

(11) If the school test triggered school payments at 100% (level-wide), how many more clusters would have school payments? Roughly, how much money is that? Same answer as question #10.

Public hearing testimony. Four representatives of the Walter Johnson Cluster spoke at the Council's July 21 hearing on these amendments. Each spoke of the need to assure that funds would be available for whatever ultimate high school solution the Board of Education requests.

The representatives' position is that the Council should approve a supplemental appropriation and commit to a timetable for funding the final project before preventing a moratorium. But the timetable for the project—and the very scope of the project itself—will not be known until the Board of Education submits its request to the Council this coming December, and the Council will not be acting upon it until the following May. Therefore, the consequence of the representatives' request would be to let the moratorium go into effect, which is precisely what the Solution project seeks to avoid.

Council staff recommendation: Approve the two Solution projects as introduced.

Resolution: _____
Introduced: June 30, 2015
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President

SUBJECT: Amendment to the FY15-20 Capital Improvements Program
Montgomery County Public Schools
Walter Johnson Cluster HS Solution (No. P651600)

Background

1. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
2. Due to increasing enrollment growth, this project includes funds to design and construct eight permanent high school classrooms serving the Walter Johnson HS Cluster. These additional classrooms would meet capacity requirements under the Subdivision Staging Policy, avoiding a residential moratorium in the Walter Johnson Cluster. The County Council anticipates that ultimately the Board of Education will request a specific project that will add at least these classrooms by the start of the 2020-2021 school year at the latest, and that these funds would be used towards that purpose.
3. Notice of public hearing was given and a public hearing was held on July 21, 2015.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The FY15-20 Capital Improvements Program of the Montgomery County Public Schools is amended as reflected on the attached project description form.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Walter Johnson Cluster HS Solution (P651600)

Category
Subcategory
Administering Agency
Planning Area

Montgomery County Public Schools
Individual Schools
MCPS
North Bethesda

Date Last Modified June 26, 2015
Required Adequate Public Fac Yes
Relocation Impact None
Status Facility Planning

Expenditures Schedule (\$000)

Cost Element	Total	Thru FY13	Est. FY14	Total 6 Years	FY15	FY16	FY17	FY18	FY19	FY20	Beyond 6 Years
Planning, Design & Supervision	236	0	0	236	0	0	0	118	71	47	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	253	0	0	253	0	0	0	0	202	51	0
Construction	2,342	0	0	1,639	0	0	0	0	468	1,171	703
Other	280	0	0	56	0	0	0	0	0	56	224
Total	3,111	0	0	2,184	0	0	0	118	741	1,325	927

Funding Schedule (\$000)

GO Bonds	3,111	0	0	2,184	0	0	0	116	741	1,325	927
Total	3,111	0	0	2,184	0	0	0	116	741	1,325	695

Operating Budget Impact (\$000)

Energy											
Maintenance											
Program Staff											
Net Impact											

Description

Due to increasing enrollment growth, this project includes funds to design and construct eight permanent high school classrooms serving the Walter Johnson Cluster. These additional classrooms would meet capacity requirements under the Subdivision Staging Policy, avoiding a residential moratorium in the Walter Johnson Cluster. The County Council anticipates that ultimately the Board of Education will request a specific project that will add at least these classrooms by the start of the 2020-2021 school year at the latest, and that these funds would be used towards that purpose.

Capacity

Teaching Stations Added: 8

Appropriation and Expenditure Data		Coordination	Map
Date First Appropriation (\$000)			
First Cost Estimate Current Scope (FY15)	3,111		
Last FY's Cost Estimate	0		
Appropriation Request FY15	0		
Appropriation Request Est. FY16	0		
Supplemental Approp. Request	0		
Transfer	0		
Cumulative Appropriation	0		
Expenditures/Encumbrances	0		
Unencumbered Balance	0		
Partial FY13	0		
New Partial Closeout FY14	0		
Total Partial Closeout	0		

Resolution: _____
Introduced: June 30, 2015
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President

SUBJECT: Amendment to the FY15-20 Capital Improvements Program
Montgomery County Public Schools
Northwood Cluster MS Solution (No. 651601)

Background

1. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.
2. Due to increasing enrollment growth, this project includes funds to design and construct six permanent middle school classrooms serving the Northwood HS Cluster in the Downcounty Consortium. These additional classrooms would meet capacity requirements under the Subdivision Staging Policy, avoiding a residential moratorium in the Northwood Cluster. The County Council anticipates that ultimately the Board of Education will request a specific project that will add at least these classrooms by the start of the 2020-2021 school year at the latest, and that these funds would be used towards that purpose.
3. Notice of public hearing was given and a public hearing was held on July 21, 2015.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The FY15-20 Capital Improvements Program of the Montgomery County Public Schools is amended as reflected on the attached project description form.

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Northwood Cluster MS Solution (P651601)

Category
Subcategory
Administering Agency
Planning Area

Montgomery County Public Schools
Individual Schools
MCPS
Kensington-Wheaton

Date Last Modified
Required Adequate Public Fac Yes
Relocation Impact
Status
June 26, 2015
None
Facility Planning

Expenditures Schedule (\$000)

Cost Element	Total	Thru FY13	Est. FY14	Total 6 Years	FY15	FY16	FY17	FY18	FY19	FY20	Beyond 6 Years
Planning, Design & Supervision	177	0	0	177	0	0	0	89	53	35	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	190	0	0	190	0	0	0	0	152	38	0
Construction	1,757	0	0	1,230	0	0	0	0	351	879	527
Other	210	0	0	42	0	0	0	0		42	168
Total	2,334	0	0	1,639	0	0	0	89	556	994	695

Funding Schedule (\$000)

GO Bonds	2,334	0	0	1,639	0	0	0	89	556	994	695
Total	2,334	0	0	1,639	0	0	0	89	556	994	695

Operating Budget Impact (\$000)

Energy											
Maintenance											
Program Staff											
Net Impact											

Description

Due to increasing enrollment growth, this project includes funds to design and construct six permanent middle school classrooms serving a middle school in the Northwood HS portion of the Downcounty Consortium. These additional classrooms would meet capacity requirements under the Subdivision Staging Policy, avoiding a residential moratorium in the Northwood Cluster. The County Council anticipates that ultimately the Board of Education will request a specific project that will add at least these classrooms by the start of the 2020-2021 school year at the latest, and that these funds would be used towards that purpose.

Capacity

Teaching Stations Added: 6

Appropriation and Expenditure Data	Coordination	Map
Date First Appropriation (\$000)		
First Cost Estimate Current Scope (FY15)	2,334	
Last FY's Cost Estimate	0	
Appropriation Request FY15	0	
Appropriation Request Est. FY16	0	
Supplemental Approp. Request	0	
Transfer	0	
Cumulative Appropriation	0	
Expenditures/Encumbrances	0	
Unencumbered Balance	0	
Partial FY13	0	
New Partial Closeout FY14	0	
Total Partial Closeout	0	